



**STATEMENT OF PROCEEDINGS FOR
THE SPECIAL MEETING OF THE
LOS ANGELES GRAND AVENUE AUTHORITY**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374-A
LOS ANGELES, CALIFORNIA 90012**



Wednesday, November 5, 2014

4:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (14-5150)

Attachments: [AUDIO](#)

Present: Chair Gloria Molina, Vice Chair José Huizar, Secretary William Fujioka and Director Steve Valenzuela

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-4985)

Chair Molina called to order the sixty-first meeting of the Los Angeles Grand Avenue Authority at 4:05 p.m., with a quorum of members present

2. Opportunity for Members of the Public to Address the Authority Board on Listed Agenda Items. (14-4987)

No members of the public addressed the Authority Board.

II. REPORTS

3. Update on Developer Submittals of October 31, 2014 for Grand Avenue Project Phase I, Parcel Q - Santos H. Kreimann. (14-5035)

Santos H. Kreimann, Chief Executive Office, provided an overview of the recent submittals: the schematic drawings and two agreements for Grand Avenue Project Phase I on Parcel Q. Mr. Kreimann indicated that the Developers have complied with the milestones.

Chair Molina requested clarification on the status of the Hotel Operator Agreement. Helen Parker, County Counsel, confirmed that the agreement is a draft and allows the Authority staff an opportunity to review and recommend changes if needed.

Cindy Starrett, Attorney, of Latham & Watkins addressed the Authority Board on behalf of Related. Ms. Starrett added that past agreements have been submitted in the same format, which allows time for review and changes to be made to the agreement.

Ms. Parker explained that under the Disposition and Development Agreement (DDA) the Authority Board has the right to review agreements.

Chair Molina expressed concern with the agreement as presented. Secretary Fujioka asked if the agreement has met the required standards. Ms. Parker confirmed that standards have been met; however, a review has not been finalized and changes have not been identified.

The Authority Board asked for a timeline of the pending review. Ms. Parker indicated that a response is required within 30 days.

Ms. Starrett added that steps to secure financial stability from the equity investor is in the process.

On motion of Chair Molina, seconded by Vice Chair Huizar, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

4. Agreement on the Form of a Reciprocal Easement Agreement with covenants, conditions and restrictions for the Public Plaza covering operations and maintenance of the public plaza built by the Broad Collection - Thomas Webber. (14-5036)

Thomas Webber of Goldfarb & Lipman LLP, Legal Counsel to the CRA/LA a Designated Local Authority and successor for the former Community Redevelopment Agency of the City of Los Angeles, provided an overview of the Reciprocal Easement Agreement (REA), including funds to be utilized for the ongoing maintenance of the Public Plaza and an easement requested by the Los Angeles County Metropolitan Transportation Authority in Parcel L. Mr. Webber reported that the CRA/LA Governing Board, Related Company and the Broad Foundation approved the REA and the Grand Avenue Authority will not have financial obligations pursuant to the REA.

On motion of Vice Chair Huizar, seconded by Secretary Fujioka, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Presentation by Developer on Schematic Design Drawings for Parcel Q - Santos H. Kreimann. (14-5037)

Steve Eimer, Executive Vice President of Related Companies (Related), provided a brief update of the new schematic concept design drawings and reported the following changes to the concept plan:

- **43,000 sq. ft. of office space has been eliminated;**
- **The 380 apartment concept has been reduced to 360; and**
- **The 70 condominiums concept has been reduced to 36 and they will be placed on top of the hotel tower.**

Mr. Eimer also reported that the Hotel Operating Agreement and the Equity Investment Agreement have been fully negotiated; Related and SBE Entertainment Group (SBE) are now 50/50 partners in the entire project.

Sam Bakhshandehpour, President of SBE, provided an overview of the proposed program by SBE, including high-end dining and casual restaurant experience. Mr. Bakhshandehpour expressed enthusiasm about the new SBE and Related partnership and anticipates the project to be a flagship for SBE.

Director Valenzuela requested that further clarification be provided with regard to project financial feasibility and possible related impacts to the design of the project. Mr. Eimer reported that while cost effective elements have been implemented, the quality of the design and materials has been preserved for public components and spaces.

Frank Gehry, Gehry Partners, LLP, thanked the Grand Avenue Authority for their commitment and reported of positive progression in the project.

Tensho Takemori, Partner at Gehry Partners, LLP, presented a PowerPoint illustrating key design principals in the project that include the connection between Grand Avenue and Olive Street, landscaping concepts, public spaces, the apartment buildings and the hotel tower.

Vice Chair Huizar praised Gehry Partners, LLP for their work and thanked them for taking the surrounding community into consideration when designing the project.

Director Valenzuela asked Related staff to elaborate on the reduction of the apartment and condominium concepts. Mr. Eimer reported that although downtown has experienced significant residential improvements, the cost of residential units and other elements involved in the project outweigh the potential revenue.

Director Valenzuela expressed his satisfaction with the evolution of the design.

Chair Molina praised the initiatives related to pedestrian accessibility and the inviting aspect of the design.

- 6. Grand Avenue Phase I, Parcel Q, Schedule of Performance in Fourth Amendment to Disposition and Development Agreement - Santos H. Kreimann. (14-5075)**

This item was tabled for discussion after item No. 7.

Chair Molina reported that the Grand Avenue Authority has instructed Authority lawyers to begin a process of discussion with Related about this item and provide an update at the next meeting.

III. CLOSED SESSION

- 7. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

Property: Parcel Q (Assessor Parcel No. MB 5149-10-949) of the Bunker Hill Urban Renewal Project Area and the Grand Park parcels

JPA Real Property Negotiators: Santos Kreimann, Christine Frias, Richard Volpert, Cecilia Estolano, Gerry Hertzberg, Michelle Cervera, Thomas Webber, Paul Rutter, Diane Hvolka

Negotiating Parties: Grand Avenue L.A., LLC

Under Negotiation: Price and Terms of Payment. (14-5038)

Chair Molina referenced the above Notice of Closed Session and the JPA Board recessed to Closed Session at 4:46 p.m. Present were Chair Molina, Vice Chair Huizar, Secretary Fujioka and Director Valenzuela.

The JPA Board reconvened the Grand Avenue Authority meeting at 5:07 p.m.

No reportable action was taken in Closed Session.

IV. MISCELLANEOUS

8. Discussion of Future Agenda Items - Santos H. Kreimann. (14-4989)

Santos H. Kreimann confirmed he is clear on what needs to be discussed at the next meeting.

9. Date of Next Regular Meeting scheduled for November 24, 2014 - Santos H. Kreimann. (14-5039)

Chair Molina noted the next meeting being scheduled for November 24, 2014.

10. Adjournment. (14-4988)

There being no further business to discuss, Chair Molina adjourned the meeting at 5:10 p.m.